

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 6, 2014

CERTIFIED RETURN RECEIPT 7012 3460 0002 9559 5819

Christopher Ennes Ambro and Son LLP 3737 West 2100 South West Valley City, Utah 84120

Subject: Division Directive to Provide Updated Notice of Intention and Reclamation Surety,

Ambro and Son LLP, Cedarstrom Calcite Mine, S/049/0012, Utah County, Utah

Dear Mr. Ennes:

On October 28, 2009, the Division of Oil, Gas and Mining approved the transfer of the referenced Notice of Intention to Commence Small Mining Operations (Notice) from Cedarstrom Calcite and Clay Corporation to Ambro and Son LLP conditional on receipt of replacement pages for the Notice showing updated ownership and control information. The Division still needs to receive these pages.

The Division also needs to receive an updated map showing the boundaries of the mine operation. This is particularly important to distinguish the operations being conducted at the Cedarstrom Calcite mine from those being done at the adjacent sand and gravel operation.

An up-to-date NOI form can be found on the Division's website at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit forms.html.

The last surety estimate for the Cedarstrom Calcite mine was done in 2009 and escalated to 2014 dollars, so it is now due for evaluation. The average reclamation costs are shown below. Based on these average reclamation costs, which have been approved by the Board of Oil, Gas and Mining, the surety amount needs to be increased from \$25,200 to either \$30,200 for a three-year escalation (amount next reviewed in 2017) or to \$30,900 for a five-year escalation (next reviewed in 2019).



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mall Mine Operation Bond Calculation Worksheet S/049/0012			
3-year escalation (2016)			
Item	Sty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,400.00	\$9,400.00
Additional Acres Disturbance	4	\$5,200.00	\$20,800.00
TOTAL			\$30,200.00
5-year escalation (2018)			
Item	Sty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$9,700.00	\$9,700.00
Additional Acres Disturbance	4	\$5,300.00	\$21,200.00
TOTAL			\$30,900.00

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of a corporate surety. You may submit a rider to the surety bond, or you may submit a surety bond, cash, a letter of credit, or a certificate of deposit for either the entire amount or for the increase. Bonding forms are available on the Division's web site at http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm.

Please provide the updated pages and map for the Notice and additional surety no later than March 28, 2014. The Division notes that this site has been inactive for at least 3 years. According to rule R647-3-113.3, if suspension of mining is expected to exceed two years, the operator shall furnish the Division with such data to evaluate the status of the operation and compliance with the rules.

Thank you for your help in keeping the Notice and the surety current. Please contact April Abate at 801-538-5214 if you have any questions concerning this letter.

Sincerely.

Con Minh 1 Bd Paul B. Baker

Mining Program Manager

PBB: AA: eb

peggyk@utahcounty.gov

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